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**F I L E D**  
MAY 25 2006

DEPARTMENT OF MANAGED HEALTH CARE

By *Susan Ball*  
Filing Clerk

8 BEFORE THE DEPARTMENT OF MANAGED HEALTH CARE  
9 OF THE STATE OF CALIFORNIA

10 IN THE MATTER OF:

11 WELLPOINT HEALTH NETWORKS,  
12 INC.

13 dba BLUE CROSS OF CALIFORNIA

14 Respondent  
15  
16  
17

} Enforcement Matter No.: 06-137

} **AMENDED ORDER RE:**  
} **COMPLIANCE WITH California Code**  
} **of Regulations, title 28, section**  
} **1300.65(c)(4)**

18  
19 The Director of the Department of Managed Health Care, by and through her  
20 designee, Assistant Deputy Director Amy L. Dobberteen, after investigation, determines  
21 as follows:

22 **PARTIES**

23 1. The Director of the Department of Managed Health Care (the Department)  
24 is vested with the responsibility to administer and enforce the Knox-Keene Health Care  
25 Service Plan Act of 1975, as amended, Health and Safety Code section 1340 et seq.  
26 (Knox-Keene Act).

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1           2. Blue Cross of California (Blue Cross) is a health care service plan licensed  
2 under the Knox-Keene Act, license number 933 0415, and regulated by the Department  
3 of Managed Health Care.

#### 4                                   STATUTORY AUTHORITY

5           3. It is the intent of the Legislature to promote the delivery and the quality of  
6 health and medical care to the people of the State of California who enroll in, or  
7 subscribe for the services rendered by, a health care service plan or specialized health  
8 care service plan by "Promoting effective representation of the interests of subscribers  
9 and enrollees." (Health and Safety Code section 1342(e).)

10           4. The Director is empowered to enforce compliance with this Act by Health  
11 and Safety Code section 1344(a), which provides:

12                               The Director may from time to time adopt . . . such orders as  
13                               are necessary to carry out the provisions of this chapter.

14           5. Health and Safety Code section 1365(b) provides, in part:

15                               An enrollee or subscriber who alleges that an enrollment or  
16                               subscription has been cancelled or not renewed because of the  
17                               enrollee's or subscriber's health status or requirements for  
18                               health care services may request a review by the director.

19           6. Pursuant to California Code of Regulations, title 28, section 1300.65(c)(1),

20                               A notice of cancellation of health care coverage must be in  
21                               writing and dated, and must state the cause for cancellation,  
22                               with specific reference to the clause of the plan contract  
23                               giving rise to the right of cancellation.

24           7. Pursuant to California Code of Regulations, title 28, section 1300.65(c)(4) a  
25 notice of cancellation of health care coverage shall state:

26                               That a subscriber or enrollee who alleges that an enrollment  
27                               or subscription has been cancelled or not renewed because of  
28                               the enrollee's or subscriber's health status or requirements for  
29                               health care services may request a review of cancellation by  
30                               the Director.

1 **ORDER**

2 **IT IS HEREBY ORDERED** from this date forward, that Blue Cross shall include  
3 in each and every notice of cancellation, rescission or limitation of health care coverage  
4 (including, but not limited to, rescissions under Health and Safety Code section 1389.3),  
5 a clear and concise notice to the enrollee or subscriber of their statutory right to request a  
6 review by the Director pursuant to Health and Safety Code section 1365(b) and  
7 California Code of Regulations, title 28, section 1300.65(c)(4). The Notice to the  
8 enrollee or subscriber shall include the following language:

9 If you believe that your enrollment or subscription for health  
10 care coverage was cancelled, rescinded, limited or not  
11 renewed because of your health status or your requirements  
12 for health care services, you have the right to request that the  
13 Director of the Department of Managed Health Care review  
14 Blue Cross of California's decision. Your request for review  
15 can be made by completing a Cancellation Complaint Form  
16 and delivering it to the Department of Managed Health Care.  
17 You may obtain a copy of this complaint form from the  
18 Department's internet website (<http://www.hmohelp.ca.gov>)  
19 or by requesting a copy from Blue Cross of California, P.O.  
20 Box 9086, Oxnard, CA 93031-9086.

21 This Order shall be effective until further Order from the Director.

22 Dated: May 25, 2006

LUCINDA EHNES, Director  
Department of Managed Health Care

23 By: \_\_\_\_\_

24 AMY L. DOBBERTEN  
25 Assistant Deputy Director  
26 Department of Managed Health Care  
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